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BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.

DEPARTMENT OF TRANSPORTATION
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DOCKET SECTION

U.S.-TORONTO SERVICE PROCEEDING

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Docket 50168

REBUTTAL EXHIBIT OF
THE REGIONAL BUSINESS PARTNERSHIP
OF THE NEWARK CHAMBER OF COMMERCE
IN SUPPORT OF CONTINENTAL AIRLINES APPLICATION
FOR NEWARK-TORONTO AUTHORITY

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April 4, 1995

REBUTTAL EXHIBIT OF
THE REGIONAL BUSINESS PARTNERSHIP
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IN SUPPORT OF CONTINENTAL AIRLINES APPLICATION
FOR NEWARK-TORONTO AUTHORITY

The Regional Business Partnership strongly supports the application of Continental Airlines for Newark-Toronto authority. Newark International Airport is by far the largest gateway among those seeking service to Toronto.

Furthermore, it is the largest U.S. gateway without a U.S. carrier operating to Toronto. Other smaller gateways, such as Pittsburgh, should not have two U.S. carriers offering service to Toronto while Newark has none. The recent decision to deny Continental the opportunity to serve Toronto from Newark is detrimental to the New Jersey metropolitan region and its economy and can only be resolved by granting Continental Toronto authority.

As we stated in support of Continental's previous application for Newark-Toronto authority, increased access to Canada is of paramount importance to New Jersey. The authority sought by Continental is critical to New Jersey because it will enhance New Jersey's access to Canada, which is New Jersey's largest trading partner. In 1993, trade with Canada accounted for 19% of New Jersey's exports, generated \$2.7 billion in revenue and was directly responsible for more than 60,000 jobs. Over 50 Canadian businesses are located in New Jersey, most of them in Newark, and many New Jersey based companies such as Allied-Signal, AT&T, American Cyanamid, and Prudential have offices in Canada. Canadian-owned businesses in New Jersey provide employment for approximately 5,000

people. Particularly in light of the opportunities provided by the North American Free Trade Agreement (NAFTA), it is imperative that Continental have the access to Toronto, the economic center of Canada, so that trade can be expanded more fully between Canadian and American businesses.

Newark International Airport handled 28 million passengers last year and the Port Authority of New York and New Jersey reports that Newark is the fastest growing airport in the region. In order to provide superior services to business and leisure travelers, Newark International is in the process of upgrading its international facilities: a \$1.4 billion redevelopment project currently under construction includes a new international arrivals terminal and a monorail system linking all airport terminals and parking lots. More than two dozen international airlines now offer service at Newark International from 49 international cities in 25 countries.

With 8,100 employees and more than 50% of the operations, Continental is the primary carrier at Newark. Continental has more than 300 departures a day and offers service from Newark to 12 foreign countries. Continental's application to fly Newark-Toronto is especially important to New Jersey because these flights will support Continental's hub operations at Newark (Newark is Continental's second largest hub) and enhance the attraction of Newark as a business center. Likewise, Newark and New Jersey need access in particular to Toronto because that city is the commercial center of Canada. The proposed Newark-Toronto

service will clearly enhance Continental's transatlantic operations and Newark's position as a gateway to Europe.

Advocates of the new Canadian-U.S. bilateral predict that the pact will stimulate sharp increases in air travel benefitting airlines and airport communities on both sides of the border. Therefore, to say that the Regional Business Partnership and the business community it represents was disappointed with DOT's recent decision to deny Continental exemption authority to fly Newark-Toronto is an understatement. As a result of the new bilateral, Air Canada will soon begin an hourly shuttle from Toronto to LaGuardia. This new service will likely entice business travellers to use LaGuardia and conduct business in New York while New Jersey's "hometown" carrier, Continental, has been denied the opportunity to serve Toronto. Clearly, as a result of DOT's most recent decision to award exemption authority for two U.S. carriers to fly to Toronto from Atlanta and Pittsburgh, the City of Newark has been denied the immediate opportunity to have a U.S. carrier provide nonstop service to Toronto, the economic center of Canada.

It is absolutely critical that Newark be given its opportunity to establish comparable service to Toronto with Continental as its carrier of choice. Accordingly, the Regional Business Partnership urges the Department to grant Continental's application for Newark-Toronto service.

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